

**AMENDMENTS TO THE CLAIMS**

1. (Currently Amended) A method of modulating decreasing an immune response comprising the step of administering to an animal a compound soluble polypeptide variant of TREM-1 in which the variant lacks a functional transmembrane region and that is a competitive inhibitor of the ligand to TREM-1, said soluble variant to an animal to decreases myeloid cell activation, wherein said decrease comprises decreasing the activity of DAP12/TREM-1 complex.
2. (Canceled)
3. (Previously presented) The method of claim 1, wherein said competitive inhibitor is a polypeptide comprising the amino acid sequence of SEQ.ID.NO:2.
4. (Canceled)
5. (Original) The method of claim 1, wherein said immune response is an inflammatory response.
6. (Canceled)
7. (Currently Amended) A method of decreasing myeloid cell activation comprising the step of administering to an animal a compound soluble polypeptide variant of TREM-1 in which the variant lacks a functional transmembrane region and that is a competitive inhibitor of the ligand for TREM-1 to decrease the activity of DAP12/TREM-1 complex.
8. (Canceled)
9. (Previously Presented) The method of claim 7, wherein said competitive inhibitor is a polypeptide comprising an amino acid sequence of SEQ.ID.NO:2.
10. (Canceled)
11. (Previously Presented) The method of claim 7, wherein said competitive inhibitor is admixed with a pharmaceutical carrier.

12. (Currently Amended) A method of modulating decreasing an inflammatory response in a subject suffering from a disease or condition, wherein the disease or condition results in inflammation, said method comprising the step of altering decreasing the activity of the DAP12/TREM-1 complex.
13. (Currently Amended) The method of claim 11, wherein altering decreasing comprises modulating the binding of a ligand to TREM-1.
14. (Currently Amended) The method of claim 13, wherein modulating decreasing the binding comprises administering a competitive inhibitor for the ligand of TREM-1, wherein the competitive inhibitor is selected from the group of: a polypeptide comprising SEQ.ID.NO:2; or a soluble variant of the polypeptide sequence comprising SEQ.ID.NO:28 thereof.
15. (Original) The method of claim 11, wherein the disease or condition is selected from the group consisting of organ transplant/rejection, bone marrow transplant/rejection, graft versus host disease, infectious disease, autoimmune diseases.
16. (Original) The method of claim 15, wherein the infectious disease is septic arthritis or septic shock.
17. (Canceled)
- 18-38. (Canceled)